

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

MEDICARE MANAGED CARE
Goals of National Marketing Guide



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EXECUTIVE SUMMARY

PURPOSE

This report describes how well the *Medicare Managed Care National Marketing Guide* met its established goals in its first year of implementation.

BACKGROUND

The Health Care Financing Administration (HCFA) has authority to establish how managed care health plans with Medicare contracts provide information to beneficiaries. The health plans are required to submit marketing materials to HCFA regional offices for review and approval before distribution. Marketing materials include pre-enrollment materials (e.g., advertisements and sales brochures) and member materials (e.g., membership rules and notices of change in benefits). The HCFA regional staff keep track of their marketing-material reviews.

In November 1997, the *Medicare Managed Care National Marketing Guide* was issued as an operational tool for health plans and HCFA reviewers. It includes Federal marketing requirements and instructions regarding the review process. The **goals** of this *National Marketing Guide* are to (1) expedite the review process, (2) reduce re-submissions of material prior to approval, (3) ensure uniform review across the nation, and, most importantly, (4) provide Medicare beneficiaries with current, accurate, consumer friendly material that will help them make informed health-care choices. The following **operational elements** of the *National Marketing Guide* were designed to help HCFA reviewers and health plans meet the four goals: (1) lead regional offices, (2) model member material, (3) checklists for member materials, (4) language chart, (5) Use and File System (this system allows health plans that consistently meet Federal requirements to distribute sales materials without prior approval), and (6) Product Consistency Team.

We surveyed all HCFA staff responsible for reviewing marketing materials and representatives from 150 managed care plans. We also obtained data from HCFA regional offices that had systems to track marketing-material reviews.

FINDINGS

Goals of the *National Marketing Guide* Were Not Completely Met in the First Year of Implementation

However, Some Aspects of the Review Process Improved Due to the *National Marketing Guide*. Marketing guidelines were clearer, and creating and reviewing marketing materials became easier.

Of the Operational Elements, the Use and File System and Checklists for Member Materials Were Not Well Understood or Applied Uniformly

Marketing-Material Reviews Were Not Tracked Consistently Across HCFA Regions

Both HCFA Reviewers and Managed Care Plan Representatives Felt Improvements Are Needed. They felt operational elements need clarification, model member materials should be more sensitive to beneficiary needs, and there should be training on how to use the *National Marketing Guide*.

RECOMMENDATIONS

Our findings from this report and our review of marketing materials for a companion report, *Medicare Managed Care: 1998 Marketing Materials* (OEI-03-98-00271), provide evidence that the *Medicare Managed Care National Marketing Guide*, while improving some aspects of the marketing-material review process, was not very successful at meeting its most important goal. That goal is to provide Medicare beneficiaries with accurate and consumer friendly marketing materials. Inaccurate and confusing materials may affect beneficiaries' ability to make informed health-care choices.

We recommend that HCFA:

- ▶ **update the *National Marketing Guide*.** The *National Marketing Guide* should further clarify which information is specifically prohibited or required in marketing materials. The *National Marketing Guide* should provide model materials that are accurate and easy to read. It should clarify policy and operational instructions regarding the lead and local regional office responsibilities, the Use and File System (which allows plans to distribute sales material without prior approval), and the health plans' use of checklists for member materials. It should also ensure that checklists for member materials contain all the required information.
- ▶ **standardize and mandate use of member materials.** The HCFA should work toward standardizing as many types of member materials as possible. Managed care plans should be required to use these materials when communicating with their enrolled Medicare beneficiaries.

- ▶ **develop standard review instruments.** These review instruments should be used by HCFA staff in determining if marketing materials (both pre-enrollment and member) contain all required information and do not contain prohibited information.
- ▶ **establish a quality control system.** The HCFA should periodically review a nationwide sample of previously approved marketing materials (both pre-enrollment and member) to determine if they meet Federal marketing guidelines.
- ▶ **track marketing-material reviews consistently and uniformly across all regions.**
- ▶ **conduct meetings to review Federal marketing requirements with managed care plans that continually submit materials not in compliance with the requirements.**
- ▶ **provide training on the use of the *National Marketing Guide* for HCFA reviewers and managed care plans.**

AGENCY COMMENTS

The Health Care Financing Administration (HCFA) reviewed our companion reports and concurred with our recommendations. The agency is updating the *National Marketing Guide* and plans to promote better understanding of the Use and File System. As of 2000, contracting health plans must use a standardized Summary of Benefits. In the future, beneficiary notifications such as the Evidence of Coverage will be standardized, and their mandatory use will be phased in. In 2001, the agency will have a new and comprehensive instrument for collecting benefit data and reviewing marketing materials. In addition, the Product Consistency Team will meet monthly and uncover and correct inconsistencies in operational or policy interpretations of standardized materials. As to quality control, the agency will verify that all final versions of beneficiary notices are the same as versions HCFA approved, and will review samples of printed marketing materials. The HCFA is also taking steps to address the tracking of marketing material reviews, monitoring of contractor performance, and training of staff. Appendix C contains the full comments.

We appreciate the comprehensiveness of HCFA's comments. We believe the agency's stated efforts can result in comparable and understandable materials which beneficiaries need to make informed health-care choices. We are hopeful that the updated *National Marketing Guide* will include clarification of lead and local regional office responsibilities, and clarification as to whether health plans must submit checklists along with the member materials they submit for HCFA's review. With regard to the Product Consistency Team, the past team was not fully able to realize the objectives stated in the agency comments (uncovering and correcting inconsistencies; updating the *National Marketing Guide* as needed). We are hopeful that the new team has the tools and authority needed to accomplish these important objectives.